

**REMARKS**

This application has been carefully reviewed in light of the Office Action dated April 19, 2006. Claims 50-75 remain pending. Claims 50, 54, 63 and 67 are independent and have been amended in terms which more clearly define the present invention. Favorable reconsideration is respectfully requested.

In the Office Action, claims 50-65 were rejected as being obvious over the article “Implementing Value at Risk,” by Best. Applicants have now amended the independent claims to clarify the *timing* of the method steps, a feature not shown or suggested by Best. In particular, each amended independent claim recites that the individual financial transaction is received *at the time of making the individual financial transaction*. Furthermore, each claim recites that the remaining method steps are performed *substantially concurrently with the receiving step*.

The article by Best describes the hedging of various risk factors, but does not teach or suggest this timing.

This advantageous timing is discussed in the specification at, e.g., page 3, final paragraph-page 4, first paragraph, in contrast to the prior art in which the netting of the trader’s book and the transfer of risk takes place only periodically, e.g., once a week. In the prior art system, this meant that the hedge at the end of the period might not accurately reflect the risks that existed at the time of the trade.

Applicants' claims had previously recited this timing inferentially, by reciting the receiving step as the first step of the method. The independent claims 50, 54, 63 and 67 have now all been amended to recite this timing expressly. Accordingly, Applicants respectfully submit that the amended independent claims are patentably distinct from the cited prior art.

The remaining claims depend from a respective one of the independent claims and partake of their novelty.

In light of the foregoing amendments and remarks, Applicants respectfully submit that claims 50-75 are patentably distinct over the prior art of record.

Applicants further submit that the application is in proper form for allowance of all claims, and earnestly solicit a notice to that effect.

If any fee is due for this filing, please charge the LARGE ENTITY fee therefor to Deposit Account No. 16-2500 of the undersigned.

Appln. No. 09/891,183

PATENT  
Attorney Docket No.: 74577-036

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Respectfully submitted,

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Date: March 20, 2007

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